

Edgar Filing: Seritage Growth Properties - Form 8-K

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01. Other Events.

Pursuant to the terms of the master lease (the “Master Lease”) between subsidiaries of Seritage Growth Properties (“Seritage”) and subsidiaries of Sears Holdings Corp. (“Sears Holdings”), Sears Holdings recently exercised its right under the Master Lease to terminate the Master Lease with respect to nine unprofitable stores totaling approximately 1.0 million square feet of gross leasable area. The aggregate annual base rent at these stores is approximately \$4.3 million, or 2.0% of the Company’s total annual base rent as of March 31, 2018, including all signed leases. Sears Holdings will continue to pay Seritage rent until it vacates the stores which is expected to occur in October and November 2018. The termination fee is equal to one year of the aggregate annual base rent, plus one year of estimated annual operating expenses. Additional information regarding the foregoing terminations as well as the Company’s recapture activity for the quarter ended June 30, 2018 will be set forth in the Company’s Form 10-Q for such period.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SERITAGE GROWTH PROPERTIES

By: /s/ Matthew Fernand

Name: Matthew Fernand

Title: Executive Vice President, General Counsel & Secretary

Date: July 5, 2018